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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 7, 2014

Kerry Goodballet, Director of Permitting
CONSOL Mining Company, LLC
CNX Center
1000 CONSOL Energy Drive
Canonsburg, PA 15317

Subject: Midterm Review Completion, CONSOL Mining Company, LLC, Hidden Valley Mine, C/015/0007, Task ID #4604

Dear Ms. Goodballet:

The Division of Oil, Gas and Mining (the Division) has completed its midterm review of the Hidden Valley Mine. The midterm review will now be closed; however, the Division identified deficiencies that must be addressed.

The deficiencies are listed as an attachment to this letter. The author of each of the deficiencies is provided in order to facilitate communication between your staff and the Division's if necessary.

Your response to these deficiencies will need to be submitted as an amendment to your MRP and will be processed as a separate task. Please submit the required amendment with the accompanying C1 and C2 forms by no later than September 18, 2014.

If you have any questions, please feel free to contact Daron Haddock (801) 538-5325 or myself (801) 538-5350.

Sincerely,

Steve Christensen
Permit Supervisor

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0150007
TaskID: 4604
Mine Name: HIDDEN VALLEY MINE
Title: MIDTERM PERMIT REVIEW

Operation Plan

Hydrologic General

Deficiencies Details:

R645-301-731, -760, -765: The Permittee must revise the Mining and Reclamation Plan (MRP) to document the existence and on-going monitoring activities of the three monitoring wells that were completed in 2006 and 2007 (HV-06-01, HV-06-02, HV-06-03). Currently the monitoring wells are only discussed/identified in the Minor Coal Exploration permit that was initially approved in August of 2006 (Task ID #2604).

The revision to the MRP must include the following:

- (1) Provide an update in the hydrology section of the MRP to discuss the monitoring wells. The update should include a narrative as well as a figure depicting their location.
- (2) Provide an update to the reclamation section of the MRP that discusses how the monitoring wells and associated pads will be reclaimed.
- (3) Provide an update to the reclamation section of the MRP that discusses how the monitoring wells will be capped and sealed.

schriste

Reclamation Plan

General Requirements

Deficiencies Details:

During the Emery Deep mine's 2011 annual report review process, a commitment was identified that needed to be addressed. The commitment discusses the development of an investigative study into past reclamation practices conducted at the Emery Deep and Hidden Valley Mines. The following is the commitment as found on page 4a of Chapter 3 of the MRP.

The permittee is committed to develop an investigative study into past reclamation practices conducted at the Emery and Hidden Valley mine sites. The scope of the investigation shall include but not limited to:

- I. Evaluate current vegetation and soil chemistry of all topsoil and subsoil stockpiles. Past reclamation sites of disturbed land are to be included within the scope of study. "A Reclamation Monitoring Study for the Emery Mine- Vegetation and Soils" was completed in 2003 and can be found in ChIII Appendix III-1.

2. Based on findings from the study, plans shall be developed to enhance the vegetation of each site. The plan is to be reviewed with Division of Oil, Gas and Mining (DOGM) prior to implementation of the plan. Period for implementing enhancement methods should be performed when warm season planting may be conducted.
3. The qualitative part of the study will be performed annually and the quantitative aspects will be performed between the 4th and 6th year, following initial implementation of enhancement methods. The present reclamation methods shall be correlated with the historical weather information obtained from an on-site weather station.
4. Based on the follow-up study, a total reclamation plan shall be developed for the Emery mine site. The plan is to incorporate and utilize the best reclamation practices found through the previous investigative studies. The final reclamation plan will be developed in conjunction with DOGM and submitted 12 months prior to initiating final reclamation.

The site visit conducted individually by Joe Helfrich, (Division Biologist), on July 29th, 2014 indicated that the site was stable and the silt fences were in good repair and functioning adequately. The vegetation on the B area was well established. There have been no reclamation activities initiated on the A area to date. This may have been due in part to the exploration activities that were a part of the exploratory engineering study that was initiated in 2006 wherein several drill holes were completed but the portals on the A side were not opened.

It is recommended that the permittee meet with the Division staff to develop a reclamation strategy for the remaining disturbed portions of the Hidden Valley site.

jhelfric

Contemporaneous Reclamation General

Deficiencies Details:

Because the A-seam portals provide access to the A seam reserve, a request for deferral of the A seam portal reclamation until permit renewal in 2017 was included with the 2013 Annual Report. No further information on monitoring or mining activity at the site was provided. In accordance with R645-301-521.190, An update on the proposed coal recovery (R645-301-522) and mining methods (R645-301-523) are requested.

pburton

Bonding Determination of Amount

Deficiencies Details:

R645-301-830.140: Please provide updated information for estimated bonding costs with supporting calculations for the estimates. This includes updated unit costs (to be used to update bonding calculation spreadsheets) and updated escalation factors. Updates should be provided using the 2013 data from R.S. Means Heavy Construction Cost data manual and the Caterpillar Handbook or other appropriate resources. The bonding summary sheet and corresponding bond calculation sheets need to be updated and appropriately escalated to 2019 dollars using the Divisions approved 1.9% and 5-year escalation.

The revised/updated bonding costs must also provide a line-item for the final reclamation and plugging/sealing of the three monitoring wells (HV 06-01, HV 06-02 and HV-06-03) installed in 2006 and 2007.

schriste